

So Ordered.

Dated: April 9th, 2025



Frederick P. Corbit

Frederick P. Corbit
Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

1 MIN, LLC; HOTEL AT SOUTHPORT,
LLC; and TWELFTH FLOOR, LLC,

Debtors.

Chapter 11

Lead Case No. 24-01519

(Jointly Administered)

Adv. Proc. No. 25-80007

LAN CAI, SHUJIE CHEN, TIANRAN
CHEN, WEIJUN CHEN, JIE CHU,
ZHAOJUN CONG, HE CUI, JIANYING
DING, JICHUN DU, QING DU, JIEYING
FENG, YUPENG GAO, YIRAN HAN,
JINYANG HU, NAIXIN HU, XIAO HUANG,
JUNMEI JIN, XIN MENG, WEIHONG LU,
YUANYUAN MA, MIN PAN, LEI PEI, HAO
QI, XIAO RONG, JUAN SHAO, HUI
WANG, JINGYI WANG, YUQUAN WANG,
ZIDONG WANG, RONGRONG WU,
ZHAOHUI XU, QI XU, JIE YAN, KE
YANG, QIN YANG, HONGYUN YU,
SHUXIAN ZENG, XIAOHONG ZHANG,
YING ZHAO, MINBO ZHOU, NAN ZHOU,
HUIQING ZHU, ZILING ZENG, LUYI
ZHANG, JUNDI LIANG, TAO LI, YUN CAI,
HONGLIANG TANG, JIE TANG,
WENLUNG CHEN, SHI ZHANG, JUN CHE,
DAHE ZHANG, SHAN WAN, XIAOHONG
SUN, YAN LYU A/K/A YAN LU, WENYAN
WANG, JIALIN TIAN, RUI TANG,
XINHAN LIN, SIYU LIU, JIANYING
MENG, PHUONG NGUYEN, YEQING PAN,
XUERONG QI, QIANG WANG, JUNLI
WEI, YUNFEI WU, HONGYING YU,
DONGLI ZHANG,

Plaintiffs,

**ORDER GRANTING IN PART
AND DENYING IN PART AP
DEFENDANTS'
MOTION TO DISMISS THE
COMPLAINT**

1 v.

2 HOTEL AT SOUTHPORT, LLC, TWELFTH
3 FLOOR, LLC, 1 MIN, LLC.

4 Defendants,

5 and

6 WF CREL 2020 GRANTOR TRUST,

7 Intervenor-Defendant.

8
9 **BEFORE THE COURT** is the *Motion to Dismiss the Complaint* (the “Motion to
10 Dismiss”) filed by Defendants 1 Min, LLC (the “EB-5 Debtor”), Hotel at Southport, LLC (the
11 “Hotel Debtor”), Twelfth Floor, LLC (“the “Mezz Debtor” and together with the EB-5 Debtor
12 and the Hotel Debtor, the “Debtor-Defendants”), and WF CREL 2020 Grantor Trust (together
13 with the Debtor-Defendants, the “AP Defendants”) [ECF No. 12]. Having considered the AP
14 Defendants’ moving papers [ECF Nos. 12-15], Plaintiffs’ opposition brief [ECF No. 17], and the
15 AP Defendants’ reply brief [ECF No. 19], and having held oral argument on March 25, 2025, **IT**
16 **IS HEREBY ORDERED:**

17
18 1. The Motion to Dismiss is **GRANTED IN PART** and **DENIED IN PART**, as set
19 forth herein.

20
21 2. In determining the adequacy of the complaint on a motion to dismiss pursuant to
22 Fed. R. Civ. P. 12(b)(6), the Court must “accept all factual allegations as true and view them in
23 the light most favorable to Plaintiffs.” *Glazer Capital Mgmt., L.P. v. Forescout Techs., Inc.*, 63
24 F.4th 747, 763 (9th Cir. 2023). “In addition to the factual allegations in the complaint,” the Court
25 “may consider any materials incorporated into the complaint by reference.” *Id.*

26
27
28 ORDER GRANTING IN PART AND DENYING IN PART AP
DEFENDANTS’ MOTION TO DISMISS THE COMPLAINT –
Page 1

BUSH KORNFELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 3. However, the Supreme Court of the United States has emphasized that “[w]hile a
2 complaint attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual
3 allegations, a plaintiff’s obligation to provide the grounds of his entitlement to relief requires
4 more than labels and conclusions, and a formulaic recitation of the elements of a cause of action
5 will not do.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (internal citations and
6 quotation marks omitted). In short, “[f]actual allegations must be enough to raise a right to relief
7 above the speculative level, on the assumption that all the allegations in the complaint are true
8 (even if doubtful in fact).” *Id.* (citations omitted).

10 4. Balancing these precedents, the Court holds that, accepting all of Plaintiffs’ factual
11 allegations as true and viewing them in the light most favorable to Plaintiffs, Counts One through
12 Six of the Complaint adequately allege claims against the EB-5 Debtor. Therefore, the Motion to
13 Dismiss Counts One through Six against the EB-5 Debtor is **DENIED**.

15 5. In addition, the Court holds that, accepting all of Plaintiffs’ factual allegations as
16 true and viewing them in the light most favorable to Plaintiffs, the Complaint adequately alleges a
17 claim that the Debtor-Defendants, Michael Christ, and Seattle Family, LP should be deemed alter
18 egos. Therefore, the Motion to Dismiss Plaintiffs’ alter ego claim is **DENIED**.

19 6. Nevertheless, for the reasons stated on the record during oral argument on March
20 25, 2025, Counts One through Six of the Complaint fail to state a claim against the Hotel Debtor
21 or the Mezz Debtor. Therefore, the Motion to Dismiss Counts One through Six against the Hotel
22 Debtor and Mezz Debtor is **GRANTED**, *with prejudice*.

24 7. Defendants shall answer the Complaint, as modified by this Order, within twenty
25 days from the entry of this Order.

26 /// END OF ORDER ///

28 ORDER GRANTING IN PART AND DENYING IN PART AP
DEFENDANTS’ MOTION TO DISMISS THE COMPLAINT –
Page 2

BUSH KORNFELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 **Presented by:**

2 **BUSH KORNFIELD LLP**

3 By: /s/ James L. Day

4 James L. Day, WSBA #20474
5 Christine M. Tobin-Presser #27628
6 Jason Wax, WSBA #41944

7 *Attorneys for the Debtor-Defendants*

8 **EISENHOWER CARLSON PLLC**

9 By: /s/ Darren R. Krattli

10 Darren R. Krattli, WSBA No. 39128
11 909 A Street, Suite 600
12 Tacoma, Washington 98402
13 Telephone: (253) 572-4500
14 Facsimile: (253) 272-5732
15 Email: DKrattli@Eisenhowerlaw.com

16 -and-

17 **MAYER BROWN LLP**

18 Thomas S. Kiriakos (admitted *pro hac vice*)
19 Craig E. Reimer (admitted *pro hac vice*)
20 71 S. Wacker Dr.
21 Chicago, Illinois 60606
22 Telephone: (312) 782-0600
23 Facsimile: (312) 701-7711
24 Email: Tkiriakos@mayerbrown.com
25 Creimer@mayerbrown.com

26 -and-

27 Jason I. Kirschner (admitted *pro hac vice*)
28 Danielle A. Sigal (admitted *pro hac vice*)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 506-2500
Email: jkirschner@mayerbrown.com
Dsikal@mayerbrown.com

*Attorneys for Intervenor-Defendant WF CREL
2020 Grantor Trust*

ARETE LAW GROUP PLLC

By: _____

Jeremy E. Roller, WSBA No. 32021
Lisa Herb, WSBA No. 23161
600 University Street, Suite 2420
Seattle, WA 98101
Phone: (206) 428-3250
Fax: (206) 428-3251
jroller@aretelaw.com
lherb@aretelaw.com

REID & WISE LLC

By: _____

Matthew Sava (pro hac vice application
forthcoming)
Matthew Livingston (admitted pro hac vice)
One Penn Plaza, Suite 2015
New York, NY 10119
Phone: (212) 858-9968
Fax: (516) 821-8978
msava@reidwise.com
mlivingston@reidwise.com

Attorneys for Plaintiffs